

Message Text

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ORIGIN STR-04

INFO OCT-01 ARA-10 EUR-12 EA-09 NEA-10 IO-13 ISO-00
FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00
EB-08 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-02 AID-05 SS-15 ITC-01 TRSE-00
PRS-01 SP-02 OMB-01 NSCE-00 SSO-00 USIE-00
INRE-00 /123 R

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EB/OT:WGBARRACLOUGH

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FM SECSTATE WASHDC

TO AMEMBASSY ATHENS IMMEDIATE

AMEMBASSY BELGRADE IMMEDIATE

AMEMBASSY BERN IMMEDIATE

AMEMBASSY BOGOTA IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRASILIA IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BUCHAREST IMMEDIATE

AMEMBASSY BUDAPEST IMMEDIATE

AMEMBASSY BUENOS AIRES IMMEDIATE

AMEMBASSY DUBLIN IMMEDIATE

AMCONSUL HONG KONG IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY MADRID IMMEDIATE

AMEMBASSY MEXICO IMMEDIATE

AMEMBASSY NEW DELHI IMMEDIATE

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY SEOUL IMMEDIATE

AMEMBASSY TAIPEI IMMEDIATE

AMEMBASSY VIENNA IMMEDIATE

AMEMBASSY WARSAW IMMEDIATE

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AMEMBASSY PRAGUE IMMEDIATE

AMEMBASSY PORT AU PRINCE IMMEDIATE

AMEMBASSY STOCKHOLM IMMEDIATE

AMEMBASSY MANILA IMMEDIATE

AMEMBASSY SAN JOSE IMMEDIATE

AMEMBASSY OSLO IMMEDIATE

USLO PEKING IMMEDIATE

AMEMBASSY LISBON IMMEDIATE
AMEMBASSY MONTEVIDEO IMMEDIATE
INFO USMISSION EC BRUSSELS IMMEDIATE
USMISSION GENEVA IMMEDIATE
USDEL MTN GENEVA IMMEDIATE
USMISSION OECD PARIS IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: PRESIDENT'S DECISION ON FOOTWEAR IMPORT RELIEF

1. THE PRESIDENT ANNOUNCED TODAY HIS DECISION TO INSTITUTE AN EXPANDED AND MORE EFFECTIVE PROGRAM OF ASSISTANCE TO THE DOMESTIC NON-RUBBER FOOTWEAR INDUSTRY, AND TO GRANT IMPORT RELIEF, IN THE FORM OF TEMPORARY ORDERLY MARKETING AGREEMENTS (OMAS) WHICH THE PRESIDENT HAS INSTRUCTED THE STR TO SEEK WITH APPROPRIATE COUNTRIES, FOLLOWING A FINDING BY THE U.S. INTERNATIONAL TRADE COMMISSION OF INJURY DUE TO INCREASED IMPORTS. WE ARE CURRENTLY SEEKING OMAS WITH TAIWAN AND KOREA WHOSE COMBINED 104 MILLION PAIR INCREASE IN U.S. IMPORTS BETWEEN 1974 AND 1976 IS EQUIVALENT TO THE OVERALL INCREASE OF U.S. NON-RUBBER FOOTWEAR IMPORTS DURING THAT PERIOD. CONSULTATIONS WILL BE HELD WITH OTHER SUPPLYING COUNTRIES TO EXPLAIN THE PRESIDENT'S DECISION, AND TO ASSURE THAT IT UNCLASSIFIED

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IS UNDERSTOOD ABROAD THAT SUDDEN SHIFTS IN TRADE WHICH DISRUPT OUR MARKET AND INTERFERE WITH THE PRESIDENT'S ADJUSTMENT ASSISTANCE PROGRAM WOULD NOT BE ACCEPTABLE.

2. PLEASE CONVEY ABOVE TO APPROPRIATE HOST GOVERNMENT REPRESENTATIVES, DRAWING ON STR PRESS RELEASE AND

PRESIDENT'S STATEMENT, SEPTEL. WE ARE NOT NOW SEEKING RESTRAINT AGREEMENTS OR OMA'S WITH OTHER COUNTRIES. HOWEVER, WE WILL CONTINUE TO MONITOR SHOE IMPORTS CLOSELY AND IF NEW PROBLEMS ARISE WITH OTHER COUNTRIES, WE WILL CONSULT ON WAYS TO AVOID DISRUPTION OF OUR DOMESTIC MARKET. YOU SHOULD NOTE THAT THE PRESIDENT RETAINS THE AUTHORITY TO RESTRAIN UNILATERALLY IMPORTS FROM NON-OMA SUPPLIERS.

3. AS ALREADY REPORTED, THE USITC RECOMMENDED THAT TARIFF RATE QUOTAS BE APPLIED AT THE 1974 LEVEL. IN MOST CASES THIS WOULD HAVE PREVENTED ANY GROWTH IN EXPORT LEVELS FROM SUPPLYING COUNTRIES AND IN MOST INSTANCES WOULD HAVE

CAUSED REDUCED EXPORT LEVELS.

4. THE PRESIDENT'S DECISION WAS MADE AFTER WEIGHING ALL RELEVANT FACTORS SUCH AS THE INTENSE CONCERNS OF THE DOMESTIC NON-RUBBER FOOTWEAR INDUSTRY AND LABOR, THE INFLATIONARY IMPACT, CONSUMER COSTS, AND INTERNATIONAL ECONOMIC CONSIDERATIONS. THE DECISION ENTAILS THE POSSIBILITY OF AN OVERRIDE WITHIN 90 WORKING DAYS BY A SIMPLE MAJORITY OF BOTH HOUSES OF CONGRESS, IN WHICH CASE, THE USITC'S RECOMMENDED REMEDY WOULD BE IMPOSED INSTEAD OF THE REMEDY DECIDED ON BY THE PRESIDENT.
CHRISTOPHER

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Sent Date: 02-Apr-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
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